



**MEETING OF THE INVESTMENT COMMITTEE OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
70 W Madison St, Suite 1925
Chicago, Illinois 60602**

Minutes for the September 26, 2019 IC Meeting

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Fund are herein collectively referred to as the "Fund."

Call to Order and Roll Call at 9:30 a.m.

Investment Committee

in attendance:

Mr. Robert DeGraff (Chair), Mr. John Fitzgerald, Ms. Diahann Goode, Mr. Patrick McFadden, Mr. Joseph Nevius, Mr. Kevin Ochalla, Mr. Lawrence Wilson

Staff Present:

R. Tuczak, F. Vinzons, and V. Calahong

Others Present:

J. Jackson, A. O'Bradovich – Callan
A. Casser, J. LaRocco – Franklin Templeton Institutional LLC
A. Beschloss, A. Doriwala – The Rock Creek Group

Public Comment

Trustee DeGraff, Chair of the Investment Committee, opened the meeting for public comment and, with no one having requested to address the Committee, considered the next item of business on the Agenda.

1. ***Motion for Approval and Adoption of Minutes.*** It was moved by Trustee McFadden and seconded by Trustee Nevius that the minutes of the July 25, 2019 Investment Committee meeting be approved and adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

2. June Quarter and August Performance Update;

Mr. Jackson began with an update on performance through August for the Cook County Fund as prepared and presented by Callan Associates. The Cook County Fund had a market value of \$10.6 billion and all asset classes were within policy targets. Mr. Jackson continued with general market commentary, noting market volatility in July and August due to Federal

Reserve policymaking, the inverted yield curve, trade wars, fears of global recession, and other geopolitical issues. He transitioned to asset class performance, drawing attention to recent underperformance of the Fund's fixed income allocation attributable to the Fund's global fixed income mandate. Mr. Jackson concluded with an update on Q2 performance, presenting peer comparable data that was not available at the July 25, 2019 Investment Committee meeting.

Mr. Jackson then provided an August update for the Forest Preserve Fund as prepared and presented by Callan Associates. The Forest Preserve Fund had a market value of \$200.9 million, a decrease from \$202.5 million as of Q2 2019. He noted that fixed income reached the maximum variance from the policy target. While discussing asset allocation, he noted strong performance from domestic equity and international equity managers. Mr. Jackson concluded with an update on Q2 performance, presenting peer comparable data that was not available at the July 25, 2019 Investment Committee meeting.

3. International Fixed Income Discussion;

Mr. Jackson began by reviewing the Fund's allocation to international fixed income, detailing the origins of the mandate and search. He continued with a review of Franklin Templeton's Global Multisector Plus Fund, drawing attention to the fund's strategy, personnel, performance history, and fit within Cook County's portfolio. Following Mr. Jackson's review, Franklin Templeton was invited to present to the Investment Committee.

4. Manager Presentations;

A) Franklin Templeton

Ms. Casser began with a discussion of the firm and product, reviewing firm history, personnel, strategy objectives, investment approach, risks, and performance history. She then introduced Mr. LaRocca, who continued with a discussion of recent performance in the context of the current market environment. He drew attention to the strategy's unconstrained approach, explaining research methodology and decision-making processes. He continued with a recap of the strategy's performance in both up and down markets, and concluded with an update of recent portfolio shifts with respect to forward expectations for the market. A question-and-answer session followed his prepared remarks.

B) The Rock Creek Group

Ms. Beschloss began with a review of the firm, drawing attention to the firm's history, resources, capabilities, and investment strategies. She continued with a review of Rock Creek's relationship with the Fund, detailing the investment team, strategies employed, and performance. She concluded with a discussion of the current market environment and implications for the hedge fund industry. She then introduced Ms. Doriwala, who continued with a review of the strategy's performance and performance drivers. She discussed key portfolio themes, drawing attention to recent portfolio shifts as a response to market volatility and future expectation. A Q&A session followed her presentation.

5. Old Business/New Business;

Ms. Tuczak informed the Investment Committee that Fund staff submitted the Fund's response for the upcoming Illinois Senate Special Committee on State and Pension Fund

Investments Hearing, to be held in Chicago from October 23-24 2019.

6. Adjournment.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE